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FARM BUSINESS FACTS

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A discussion by Wallace Kadderly, Chief of the Radio Service, and E. J. Rowell, Agricultural Marketing Service, presented during the Department of Agriculture portion of the National Farm and Home Hour, Tuesday, September 26, 1939, and broadcast through the facilities of NBC and associated stations of the Blue Network.

--ooOoo--

KADDERLY:

It's wheat, or rather the wheat situation, that E. J. "Mike" Rowell is going to report on today. This report on the wheat situation is one of the regular monthly situation reports issued by the Bureau of Agricultural Economics. More than the usual number of people are interested in the supplies of wheat in this country and throughout the world.

Mike, suppose you start by telling us about world wheat supplies for the current year.

ROWELL:

Wallace, I'd like to make two things clear at the start of this discussion. First, the wheat year always begins on July 1; and, second, when we speak of world wheat supplies we do not include figures from Soviet Russia or China. World wheat supplies are now estimated to be 5-1/2 billion bushels -- the largest on record. That's about 275 million bushels more than the supplies were for last year.

KADDERLY:

Are you implying a bigger world crop of wheat this year?

ROWELL:

To the contrary, world production is estimated to be some 325 million bushels less than last year, but the carry-over is some 600 million bushels larger than a year ago.

KADDERLY:

That's easy figuring -- carry-over some 600 million bushels larger than last year; this year's crop some 325 million bushels smaller; the world, as you said, has 275 million bushels more wheat than a year ago. Now let's hear about wheat supplies in this country.

ROWELL:

In this country for the year which began last July, our supplies of wheat are estimated to be about 990 million bushels. That's nearly 295 million bushels more than the economists at the Bureau figure the people of this country will use during the year.

KADDERLY:

In other words, then, we have plenty of wheat for use in this country and nearly 300 million bushels for carry-over or export. We know it's pretty hard to forecast demand conditions right now; but is there anything you can say about the prospective demand for wheat?

(over)

ROWELL:

Well, Wallace, as you indicated, it is hard to forecast the probable world movement of wheat. However, world shipments of wheat or flour for the year which began July first will total about the same as the shipments in the past year. On the other hand, the general level of commodity prices is expected to remain higher than last year.

KADDERLY:

What information do you have, Mike, on prospective wheat acreage for harvest in 1940 -- I mean in the world -- and not the United States alone.

HOWELL:

According to this report the world acreage for 1940 is not expected to be much different from the acreage this year. Therefore, with average yields per acre the world will again have a wheat crop fully ample to take care of its needs and without reducing carry-over stocks.

KADDERLY:

Does that cover the wheat situation?

ROWELL:

Most of it. I'd like to add that analysis of the loan and export subsidy program in 1938-39 as made by the Bureau appears to indicate no appreciable effect of the export subsidy on world wheat prices. It goes on to state, however, that the American wheat growers benefitted to the extent of about 57 million dollars by the combined loan and subsidy program. That equals about 17-1/2 cents a bushel for the 10 months in 1938-39 when the program was in operation.

KADDERLY:

Ad lib. Close.